



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FOR IMMEDIATE RELEASE
October 3, 2005

2005-26

**OMB GUIDANCE REQUIRES EXCEPTIONAL CIRCUMSTANCES FOR USE OF
INCREASED CREDIT CARD PURCHASES LIMIT**

Immediate Need for Special Emergency Purchasing Authority Has Passed

The Office of Management and Budget (OMB) today issued guidance to federal agencies that effectively returns the purchase limit for government credit card purchases to pre-hurricane levels. Initially raised to help expedite the delivery of needed relief supplies to hurricane victims, the higher purchase limits are no longer needed and will be used only in "exceptional circumstances" to guard against fraud and abuse.

The second Katrina emergency supplemental appropriations bill, enacted on September 8, 2005, raised the threshold for so-called "micro-purchases" made via credit card to \$250,000 for Katrina rescue and relief needs. Follow-up guidance from OMB set strict guidelines for who could use the increased thresholds, what they could be used for, and requiring an agency review of transactions. Today's memo to executive agency heads effectively restores the purchase limit to \$2,500 for normal purchases and \$15,000 for contingency operations, except in "exceptional circumstances" approved by OMB.

"In the first days after the hurricane, several regulations were streamlined to remove barriers to the quick delivery of needed, life-saving aid," OMB Deputy Director for Management Clay Johnson III said. "As the recovery has advanced, we do not envision that agencies will need to utilize the higher thresholds. To further strengthen the protections that we have put in place to guard against fraud and abuse, we are asking that agencies operate under pre-hurricane levels unless they can justify to us that there are exceptional circumstances."

Legislation to repeal the higher thresholds is pending in the Senate and the Administration supports this change.

###